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**TELECOMMUNICATIONS SERVICES**

Applying to Resale of Intrastate, Interexchange  
Common Carrier Communications  
Services Between Points in the  
State of South Carolina

**AND**

**CONTAINING RULES AND REGULATIONS**

**GOVERNING SERVICE**

This tariff is on file with the South Carolina Public Service Commission and copies may be inspected, during normal business hours, at Fonix Telecom, Inc., 4501 Circle 75 Parkway, Building D-4210, Atlanta, Georgia, 30339.

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Issued: June 24, 2005

Effective: October 6, 2005

By: Michael Britt  
V.P. Regulatory & Channel Development  
Fonix Telecom, Inc.  
9350 South 150 East, Suite 700  
Sandy, Utah 84070

Check List

Tariff sheets are effective as of the date shown. Revised sheets as named below contain all changes from the original tariff that are in effect on the date thereof.

<u>SHEET</u>	<u>REVISION NO.</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
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11	Original
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SHEET

REVISION NO.

40	Original
41	Original
42	Original
43	Original

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Symbols

Whenever tariff sheets are revised, changes will be identified by the following symbols:

- (C) To signify changed regulation.
- (D) To signify deleted or discontinued rate, regulation or condition.
- (I) To signify a change resulting in an increase to a customer' s bill.
- (M) To signify material moved from or to another part of tariff with no change in text, rate, rule or condition.
- (N) To signify new rate, regulation, condition or sheet.
- (R) To signify a change resulting in a reduction to a customer' s bill.
- (T) To signify change in text but no change in rate, rule or condition.
- (X) To signify a reference to other published tariffs.
- (Z) To signify a correction.

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TARIFF FORMAT SHEET

A. Page Numbering. Page numbers appear in the upper-right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. These new pages are identified in decimal format. For example, a new page added between pages 34 and 35 would be 34.1.

B. Page Revision Numbers. Revision numbers also appear in the upper-right corner of the page. These numbers are used to determine the most current page on file with the South Carolina Public Service Commission. For example, the 4th revised Page 34 cancels the third revised Page 34. Because of deferrals, notice periods, etc., the most current page number on file with the Commission is not always the tariff page in effect. User should consult the check page for the page currently in effect.

C. Paragraph Numbering Sequence. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.

2.

2.1.

2.1.1.

2.1.1.A.

2.1.1.A.1.

2.1.1.A.1.(a)

2.1.1.A.1.(a).I

2.1.1.A.1.(a).I.(i)

2.1.1.A.1.(a).I.(i)(1)

D. Check List of Effective Pages. When a tariff filing is made with the Commission, an updated Check List of Effective Pages ("Check List") accompanies the tariff filing. The Check List lists the pages contained in the tariff, with a cross-reference to the current revision number. When new pages are added, the Check List is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on the Check List if these are the only changes made to it (i.e., the format, etc.). The User should refer to the latest Check List to find out if a particular page is the most current page on file with the Commission.

INTRODUCTION

This tariff ("Tariff") contains the regulations and rates applicable to the furnishing of intrastate, common carrier communications service by Fonix Telecom, Inc. (hereinafter referred to as "Fonix" or (the "Company") within the State of South Carolina.

The regulations governing the provision and use of services offered under this Tariff are set forth in Section 2. Service descriptions and rates are set forth in Sections 3 and 4, respectively.

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## 1.0 Technical Terms and Abbreviations

Access Code: "Access Code" means a sequence of numbers that, when dialed, connects a Customer to the Carrier associated with that sequence.

Agent: "Agent" means a person, firm, company, corporation, or other entity that is authorized to distribute Services to Customers or Users on the Company's behalf.

Authorization Code: "Authorization Code" means a numerical code, one or more of which are assigned to a Customer to enable it to access the Service provided by the Company and to identify the Customer for billing purposes.

Carrier: "Carrier" means a communications common carrier authorized by the Commission or by the FCC to provide communications service to the public.

Commission: "Commission" means the South Carolina Public Service Commission.

Credit(s): "Credit(s)" mean the meaning set forth in Section 2.21 hereof.

Credit Allowances: "Credit Allowances" means the meaning set forth in Section 2.21 hereof.

1. Technical Terms and Abbreviations (cont'd)

Credit Limit: "Credit Limit" means a credit limit placed on Customer's monthly consumption of Service pursuant to Section 2.10 hereof.

Customer: "Customer" means the person, firm, company, corporation, or other entity that (i) pursuant to a Service Order, orders Service(s) under this Tariff, (ii) purchases a Prepaid Calling Card from the Company or its Agent, (iii) prepays the Company for use of the Services via a Prepaid Calling Card up to a pre-established credit limit, or (iv) accesses the Service by dialing the Company's Access Code.

Day: "Day" means a period of time from 8:00 A.M. to (but not including) 5:00 P.M. Monday through Friday, as measured by local time at the location from which the call is originated.

Evening: "Evening" means a period of time from 5:00 P.M. to (but not including) 11:00 P.M., Sunday through Friday and any time during Holidays as measured by local time at the location from which the call is originated.

FCC: "FCC" means the Federal Communications Commission.

Governmental Authority: Any regulatory, judicial, administrative, or other domestic federal, state or municipal governmental authority (including without limitation the Commission) having jurisdiction over the Company, over any Other Provider, or over the provision of Services hereunder.

Holidays: All Company-specified holidays: New Year's Day (January 1), Independence Day (July 4), Thanksgiving Day, Labor Day and Christmas Day (December 25).

1. Technical Terms and Abbreviations

Inbound Toll-Free Service: The Inbound Toll-Free Service described at Section 3.1.2 hereof.

Interruption: The disruption of, or removal of a circuit from, Service such that the Service becomes unusable by User for a continuous period of thirty (30) minutes or more.

LEC: A Carrier authorized by a state Governmental Authority to provide communications service within one or more domestic local telephone exchanges.

Local Access and Transport Area ("LATA"): A geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which a LEC provides communications services.

Minimum Service Period ("MSP"): The minimum period of time during which a Customer takes Service ordered under Service Orders under this Tariff.

Night/Weekend ("N/Wkd"): A period of time from 11:00 P.M. to (but not including) 8:00 A.M. Monday through Friday, any time on Saturday, and all day Sunday except 5:00 P.M. to (but not including) 11:00 P.M., as measured by local time at the location from which the call is originated.

## 1.0 Technical Terms and Abbreviations

One Plus Service: The One Plus Service described at Section 3.1.1 hereof.

Other Providers: Any Carriers or other service providers whose services or facilities are connected to, or used by, the Company in providing the Services.

Performance Failure: Any disruption, degradation, or failure of Service, including without limitation any Interruption (but excluding Scheduled Interruptions), any installation failure or delay, or any mistake, delay, omission, error or other defect in the Service or in the provision thereof.

Prepaid Calling Card: A calling card or other tangible item which (i) contains an Authorization Code and an Access Code, (ii) is supplied by the Company or its Agents, and (iii) permits a User to use the Services up to an amount prepaid to (or up to a credit limit pre-established by the Customer with) the Company.

Regulation(s): Any and all law(s), rule(s), regulation(s) (including without limitation those set forth in this Tariff), order(s), policy or policies, ruling(s), judgment(s), decree(s) or other determination(s) which are made by the Commission or by any other Governmental Authority or which arise under any federal, state, local, foreign or international treaty, law, statute, utility code, ordinance, rule, order or decree and which are applicable to the Services or to any provision of this Tariff.

Resp-Org or Responsible Organization: The entity that has responsibility for the management of toll-free telephone numbers in the Service Management System ("SMS") database, including maintaining Customer records in the SMS and accessing the SMS: (a) to search and reserve toll-free telephone numbers; and (b) to create and maintain toll-free telephone number Customer records, including call processing records.

1. Technical Terms and Abbreviations

Scheduled Interruption: An Interruption, which has been scheduled by the Company in advance for maintenance, testing, or other administrative purposes.

Service(s): The Company's communications common carrier service(s) provided under this Tariff.

Service Order: A Company designated form used from time to time by Customer for ordering Service hereunder or for acquiring Prepaid Calling Cards.

TDD: A Telecommunications Device for the Deaf.

Telecommunications: The transmission of voice communications or, subject to the transmission capabilities of the Service, the transmission of data, facsimile, signaling, metering, or any other form of intelligence.

Termination (Terminate): Discontinuance of (to discontinue) Service, either at Customer's request, or by the Company in accordance with Regulations.

1. Technical Terms and Abbreviations

Travel Card Service: The Travel Card Services described at Section 3.1.3 hereof.

User: (i) a Customer, or (ii) any person, firm, company, corporation, or other entity that is authorized by the Customer to use Service under this Tariff, or who lawfully acquires a Prepaid Calling Card from a Customer or an Agent. For purposes of illustration, a User includes any person to whom the Customer sells or gifts a Prepaid Calling Card.

## 2.0 RULES AND REGULATIONS

The Company is a provider and reseller of intrastate communications common carrier services.

### 2.1 Undertaking of the Company

- 2.1.1 The Company shall exercise reasonable efforts to provide Services to Users between any and all points described herein pursuant to the terms and conditions set forth in this Tariff.
- 2.1.2 Services ordered by Customers under Service Orders will be made available for Users' use as soon as practicable after the Company's receipt of said Service Order. In the event of a conflict or inconsistency between the terms of a Service Order and those of this Tariff, the latter shall govern.
- 2.1.3 The obligations of the Company to provide Services under this Tariff are subject to the following: (i) availability, procurement, construction, and maintenance of facilities (including without limitation those facilities of Other Providers); (ii) interconnection to Other Providers' services or facilities as required; (iii) any applicable Credit Limit; or (iv) receipt of any applicable advance payment or Deposit.
- 2.1.4 The Company reserves the right: (i) to discontinue or temporarily suspend Service to or from a location where the necessary facilities or equipment are not available under terms and conditions reasonably acceptable to the Company; and (ii) to block Service to any User location or to any Authorization Code, without any liability whatsoever, in the event that the Company detects or reasonably suspects either (a) fraudulent or unlawful use of the Services at or by means of said location or Authorization Code, or (b) consumption of Service in excess of any applicable Credit Limit or Advance Payment. Services may not be available from certain coin-operated or other pay telephones located on prisons, military bases and colleges for reasons including, but not necessarily limited to, the detection of fraudulent use of Services at those locations.

## 2.2 Responsibility and Use

- 2.2.1 Services may be used by Users for any lawful purpose, subject to the terms and conditions set forth herein and in any applicable Service Order. Subject to the limitations and conditions set forth in this Tariff, Services are available for use twenty-four (24) hours per day, seven (7) days per week.
- 2.2.2 Customer is solely responsible for (i) prevention of unauthorized, unlawful or fraudulent use of or access to Services; and (ii) administration and non-disclosure of any Authorization Codes provided by Company to Customer.
- 2.2.3 The Company's sole responsibility with respect to Travel Card Services is to make Services available to Users in accordance with Section 3.1.3 of this Tariff.
- 2.2.4 The Company's sole responsibility with respect to provision of Services in connection with Prepaid Calling Cards is to make Services available to Users using such Prepaid Calling Cards in accordance with Section 3.1.4 of this Tariff.

## 2.3 Compliance

- 2.3.1 The Services may not be used for any unlawful purpose whatsoever.
- 2.3.2 The Company and Customer shall (and Customer shall cause User to) comply with all applicable Regulations.



2.4 Abuse. Abuse of the Services is prohibited. The following activities constitute abuse:

- 2.4.1 Using the Service to make calls which might reasonably be expected to frighten, abuse, torment, or harass another; or
- 2.4.2 Using the Service in violation of the non-interference and signal quality restrictions set forth in Section 2.13.3; or
- 2.4.3 Acquiring or reserving an 800, 888 or 877 telephone number provided by the Company for the primary purpose of selling, brokering, bartering or releasing it to another party for a fee or other consideration; or
- 2.4.4 Using the Service (or any other telephone number advertised or widely understood to be toll free in connection with the Service) in any of the following ways:
  - 2.4.4.A With the exception of circumstances where the calling party has a presubscription or comparable arrangement or discloses a credit or charge card number during the call, in any manner that would result in: (a) assessment of a charge for completing an 800, 888 or 877 call on the calling party or on the subscriber to the line from where the 800, 888 or 877 call originated; (b) connection of the calling party to a pay-per-call service; or (c) assessment of a charge on the calling party for information conveyed during the toll free call; or
  - 2.4.4.B Calling the calling party back collect for the provision of audio or data information services, simultaneous voice conversation services or products.

2.5 Call Blocking

Notwithstanding any other provision of this Tariff, the Company may block calls which: (i) are made to or from certain countries, cities, or central office ("NXX") exchanges, or (ii) make use of certain Authorization Codes, as the Company, in its sole opinion and discretion, deems reasonably necessary to prevent unlawful or fraudulent use of Services.

## 2.6 Billing and Payments

- 2.6.1 Other than prepaid services, charges for Services will be billed to Customer on a monthly (30 day) basis, in arrears, based on the Users' actual usage. Customers will not be charged for uncompleted calls.
- 2.6.2 All amounts stated on each monthly invoice are due and payable immediately upon Customer's receipt thereof; provided, however, that charges incurred for Services obtained via Prepaid Calling Cards will be first debited against the balance of the amount (if any) prepaid to the Company.
- 2.6.3 Invoices unpaid after thirty (30) days shall incur a monthly finance charge on the unpaid balance at a rate equal to the lesser of one and one-half percent (1.5%) or the maximum rate permitted by law.
- 2.6.4 Except as otherwise limited by Regulation, Customer shall be responsible for payment of all charges, whether authorized or not, for any and all use of or access to Services provided to Users, including without limitation any unauthorized, unlawful or fraudulent use or access. Customer's charges for Travel Card or Prepaid Calling Card calls are subject to any applicable limitations established by any Regulation.
- 2.6.5 Except as otherwise provided herein, the Company, at its sole option, may Terminate Services in the event Customer fails to pay any invoice within thirty (30) calendar days after the due date stated thereon, subject to written notice and to any other applicable Commission Regulations. Notice, for purposes of this Section 2.6.5, is to be deemed effective upon mailing of written notice, postage prepaid, to Customer's last known address. Termination of Services by the Customer or the Company for any reason whatsoever will not relieve Customer of its payment obligations hereunder for all Service charges incurred by Customer through the date of Termination. Termination by Customer for purposes of this Section 2.6.5 will be deemed effective five (5) business days following the date of Company's receipt of Customer's Termination notice. Customer will be liable for all costs of collection hereunder, including without limitation reasonable attorney's fees. Any invoice for Services not disputed in writing by Customer within ten (10) days after receipt thereof is to be deemed conclusively correct and binding upon the Customer.

## 2.6 Billing and Payments (Cont'd)

- 2.6.6 Payphone Compensation Surcharge. In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FFF 97-371), an undiscountable per call charge is applicable to all intrastate calls that originate from any pay telephone used to access the Company's Services. This surcharge is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with the Company's Service. Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The payphone surcharge applies to the initial completed call and any reoriginated call (*i.e.*, using the "#" symbol). Whenever possible, the payphone surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the payphone surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone. The payphone surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.
- 2.6.7 Toll Free Number Portability. If a Customer accumulates undisputed delinquent charges, the Company reserves the right not to honor that Customer's request for a change in service, including a request for Resp-Org change, until such charges are paid in full.

## 2.7 Taxes

- 2.7.1 All federal, state, and local excise, sales, use and similar taxes, will be billed by the Company as separate line items on Customer's invoice, and, except as otherwise set forth in Sections 2.7.2 and 3.1.4.A hereof, are not included in any quoted rates described or contained in this Tariff.
- 2.7.2 The Company reserves the right to assess a surcharge on Customer's charges for outbound Services terminating at, or inbound Services originating from, locations or addresses in those states levying, or asserting a right to levy, a gross receipts tax or similar assessment on the Company's operations or on intrastate access charges incurred by the Company in such state(s). The surcharge will be calculated pro rata based on the amount Customer's total monthly charges for Services provided to and billed to a Customer's location or Authorization Code in such state(s) bears to the Company's total monthly receipts subject to said tax or assessment in such state(s). The surcharge will appear as a line item on Customer's invoice.

## 2.8 Advance Payments

The Company may, at its sole option and discretion, require that any Customer having a history of late payments for the Services or whose credit history either is unsatisfactory (in the Company's sole opinion) or is not established to the Company's reasonable satisfaction to make advance payments from time to time for future consumption of Services. The amount of each such advance payment will not exceed the lesser of (a) one (1) month's actual or estimated charges, or (b) the highest amount permitted by any applicable Regulation. The Company may, at its sole option and discretion, accept personal guarantees, bank letters of credit or surety bonds in lieu of an advance payment. Advance payments will be applied to charges for Services in the same manner as other payments. A customer may be required to continue to make advance payments in accordance with this Section 2.8 until such time as its credit worthiness is established to the Company's reasonable satisfaction.

## 2.9 Deposits

Customers or applicants for Services whose financial condition is not acceptable to the Company, as determined in its sole opinion and discretion, may be required to provide the Company, either before or after the commencement of Service, with a security deposit, in cash or cash-equivalents, in an amount not to exceed two (2) months of estimated Service usage, and/or to provide the Company with such other assurances of, or security for, the payment of charges for Services as the Company may deem necessary in its sole judgment and discretion. Any such cash deposit will bear simple interest at a rate of seven percent (7%) per annum or at such other rate as may be determined by a competent Regulatory Authority. The Company may apply such deposit at any time to any past due balances owed to it by Customer hereunder, provided however, the Company shall return the remainder to Customer, at its last known address, within one (1) month following the date of Termination. The Company may, at its sole option and discretion, accept personal guarantees, bank letters of credit or surety bonds in lieu of a cash deposit required under this Section 2.9.

## 2.10 Credit Limit

The Company may, at any time and at its sole discretion, set a Credit Limit for any Customer's consumption of Services for any monthly period.

2.11 Indemnification by Customer

2.11.1 Customer shall defend, indemnify and hold the Company harmless from any and all actions, claims, judgments, damages, demands, liabilities, and expenses, including without limitation reasonable attorney's fees, arising from or in connection with:

2.11.1.A Libel or slander resulting from any use of the Services provided to any User hereunder;

2.11.1.B Infringement of any patent, copyright, trademark, trade name or trade secret arising from: (i) the transmission of any material transmitted: (a) by any User, or (b) by any other person using the Services provided to any User, User location, or Authorization Code; or (ii) the combination of User's use of Services with CPE or with other User-provided facilities or services; and

2.11.1.C Except as otherwise provided by applicable Regulation, any unauthorized, unlawful, or fraudulent use of or access to the Services provided to Users.

2.12 Customer Premises Equipment ("CPE")

CPE attachment by the User is permitted under this Tariff. The Customer is responsible for ensuring that all such attached CPE must conform to the FCC's registration requirements set forth in Part 68 of the Code of Federal Regulations (as amended). The Company may discontinue the provision of Services to any location where CPE fails to conform to such Regulations.

**2.13    Interconnection**

- 2.13.1    The Services may be connected with services or facilities of Other Providers subject to any technical limitations applicable to the latter; provided, however, Service furnished by the Company is not part of a joint undertaking with any Other Provider.
- 2.13.2    Interconnection with the facilities or services of Other Providers is subject to the applicable terms and conditions of the Other Providers' tariffs (if any). Customer shall be solely responsible for satisfying all legal requirements for interconnecting Customer-provided terminal equipment or communications systems with Other Providers' facilities, including, without limitation, all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. Any interface equipment or facilities necessary to achieve compatibility between the facilities of the Company and those of Other Providers must be provided at the Customer's sole expense. Customer shall comply with all applicable terms and conditions of service provided by said Other Providers.
- 2.13.3    Customer is solely responsible for ensuring that Telecommunications signals transmitted by Users via the Services will not interfere with the operations of the Company or those of Other Suppliers, or with the provision or use of similar services provided by the Company or by Other Suppliers to any third party. All such signals must be of the proper type, bandwidth, and other technical parameters so as to neither damage the Company's or Other Providers' equipment nor degrade Service supplied to third parties. Except with respect to Services obtained through Prepaid Calling Cards, Customer must ensure:
- 2.13.3.A            that all Users employ physical arrangements for protection of the Company's facilities in circumstances where the Company, in its sole opinion and discretion, deems such protection to be reasonably necessary;
- 2.13.3.B            that all Users provide adequate electrical power, wiring and electrical outlets necessary for the proper operation of the Company's equipment on their premises;

**2.13    Interconnection (cont.)**

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2.13.3.C that all equipment, facilities or Other Providers' services connected with those of the Company are constructed, operated, and maintained so as to work satisfactorily with the Services; and

2.13.3.D that all such equipment, facilities and Other Providers' services avoid hazard, damage, or injury to the Company's facilities or plant, its employees or subcontractors, or to the public.

2.13.4 Notwithstanding any other provision of this Tariff, the Company has the right to Terminate or suspend Service to any User found to be in violation of the foregoing Section 2.13.3.

2.14 Title

Title to any and all equipment or facilities provided by the Company under this Tariff will remain in the Company.

2.15 Interruption

2.15.1 Notice. The Customer must promptly notify the Company of any Interruptions in Service of which it becomes aware; provided, however, prior to giving such notice, the Customer shall ascertain that the Interruption is not being caused by any action or omission of the User or by any non-Company supplied wiring or equipment connected to the Company's facilities. The Company's obligations under this Tariff to apply Credits or Credit Allowances to Customer's account for any Interruptions are expressly conditioned upon Customer's strict compliance with this Section 2.15.1.

2.15.2 Scheduled Interruptions. The Company, without incurring any liability whatsoever, may make Scheduled Interruptions at any time (i) to ensure compliance by the Customer or User with Regulations (including without limitation the provisions of this Tariff), (ii) to ensure proper installation and operation of the Customer's and the Company's equipment and facilities, (iii) to prevent fraudulent use of or access to the Services, or (iv) to perform any other maintenance, testing or inspection reasonably required for the provision of Services hereunder.



**2.16    Discontinuation**

Notwithstanding any other provision of this Tariff, the Company may at its sole option and discretion Terminate Service without incurring any liability therefore whatsoever, subject to (i) no less than five (5) business days prior written notice or such other notice period required by Regulation, and (ii) to any applicable Regulations, for any of the following reasons:

- 2.16.1    by order of a Governmental Authority;
- 2.16.2    in the event of any unlawful, unauthorized or fraudulent use of or access to the Services, including without limitation, violation of the provisions of this Tariff or of any other Regulations by the Customer, by any other User, or by any other person;
- 2.16.3    the use of Services in excess of a Customer's Credit Limit (if any) or Company's failure to receive an advance payment (if so required) for Services provided hereunder; or
- 2.16.4    Customer's provision of false or misleading information in its Service Order or in any other document delivered by Customer to the Company.

**2.17    Restoration of Services**

The Company shall restore any Terminated Services in accordance with Regulation, including but not limited to charging the Customer a reconnection fee as set forth in Section 4.3.

**2.18    Disclaimer**

The Company will have no liability whatsoever to User, to its employees, agents, subcontractors, or assignees, or to any other person for (i) damages arising out of any Other Providers' Performance Failure, (ii) any act or omission of any third party furnishing equipment, facilities or service to any User in connection with this Tariff or with the Services, or (iii) any other act or omission of any Other Provider, User or third party related to the use or provision of Services hereunder.

THE COMPANY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE FOR OR IN CONNECTION WITH THE PROVISION OF SERVICES HEREUNDER.

**2.19    Limitation of Liability**

- 2.19.1 Except as caused by its willful misconduct or negligence, the Company's liability with respect to any action, claim, judgment, damages, demand, liability or expense (including without limitation reasonable attorney's fees) (i) brought or incurred by any User or any other party in connection with the installation, provision, preemption, termination, maintenance, repair or restoration of Service, or (ii) arising from any Performance Failure, will in no event exceed an amount equal to the Service charges incurred by User for the month during which the Service was affected. Such amount will be in addition to any amounts that may otherwise be due User as Credits or Credit Allowances pursuant to the provisions of Section 2.21 hereof.
- 2.19.2 To the extent permitted by any applicable Regulation, the Company's liability for negligence will also be limited to the amounts described in Section 2.19.1 hereof.
- 2.19.3 To the extent permitted by any applicable Regulation, the Company's liability for gross negligence will also be limited to the amounts described in Section 2.19.1 hereof.

2.19      Limitation of Liability (cont.)

- 2.19.4    In no event will the Company be liable for loss of profits (even if the Company has been advised of the possibility of such loss) or for any indirect, incidental, special, consequential, exemplary or punitive damages whatsoever arising, directly or indirectly, from or in connection with the provision or use of Services hereunder.
- 2.19.5    Except as caused by its willful misconduct or negligence, the Company will not be liable for defacement of or damages to Users' premises or for any personal injury or death arising, directly or indirectly, from the furnishing of Services, including without limitation the installation or removal of any facilities, equipment or wiring associated therewith. Customer is solely responsible for connecting any and all apparatus, equipment and associated wiring on Users' premises to the Services, and no other Carrier or third party engaged in such activity is to be deemed an agent or employee of the Company in this undertaking.
- 2.19.6    Any action or claim against the Company arising from any of its alleged acts or omissions in connection with this Tariff will be deemed waived if not brought or made in writing within sixty (60) days from the date that the alleged act or omission occurred.

## 2.20 Indemnification

Subject to the limitations of liability set forth in Section 2.19 hereof, the Company and the Customer shall defend, indemnify, and hold each other harmless from and against any and all actions, claims, judgments, damages, demands, liabilities, and expenses, including without limitation reasonable attorney's fees, resulting from injury to or death of any person (including injury to or death of their employees) or from the loss of or damage to tangible real or tangible personal property or to the environment, to the extent that such injury, death, loss or damage was proximately caused by any negligent act or omission on the part of the party from whom indemnity is sought, or on the part of its agents, employees, subcontractors or assignees, in connection with the provision or use of the Services. The indemnifying party under this Section 2.20 shall defend the other at the other's request against any such action, liability, claim or demand. The party seeking indemnification under this Section 2.20 must notify the other promptly of written claims or demands for which the indemnifying party is responsible hereunder. The Company and the Customer, as the case may be, shall cooperate fully with the other in the course of such indemnification, and the indemnifying party shall control such defense and the right to litigate, settle, appeal (provided it pays the cost of any required appeal bond), compromise or otherwise deal with any such claim or resulting judgment, provided that such settlement, compromise or other resolution of said claim does not result in any liability to the indemnified party.

## 2.21 Credits and Credit Allowances

- 2.21.1 Credits ("Credit(s)") to the Customer's fixed charges, if any, for Interruptions (other than Scheduled Interruptions or Interruptions caused by Other Providers for which a Credit Allowance is due the Company as described in Section 2.21.2 hereof) which (i) exceed in the aggregate twenty-four (24) hours per month, (ii) are directly caused by the Company, (iii) are not due to either equipment or wiring supplied by any person other than the Company, and (iv) are not due to the negligence or willful misconduct of the User, its employees, subcontractors, agents, or assignees, will be applied to Customer's account with the Company. Such Credits are to be calculated by multiplying the fixed monthly, recurring rate (if any) for the affected Service by the ratio that the number of hours the Interruption bears to 720 hours (for the purpose of this computation, each month is deemed to have 720 hours). An Interruption is measured from the time the Company detects, or the Customer notifies the Company of, its occurrence until such time as the Interruption is cured. Each Interruption is to be considered separately for the purposes of this calculation and is be rounded to the nearest hour.
- 2.21.2 In the event of an Interruption caused by Other Providers for which a credit or allowance ("Credit Allowance") becomes due to the Company, the Company shall apply such Credit Allowance to Customer's account, less an administration fee of twenty dollars (\$20.00), subject to the Company's collection of such Credit Allowance from the Other Provider obligated to provide same. In no event will the Company be obligated to credit Customer any amounts in excess of any Credit Allowance allocable to Customer's Interruption(s) which Company receives from the Other Provider. Any other provision of this Section 2.21 notwithstanding, Company will have no obligation to apply any credit to Customer's account for Interruptions caused by an Other Provider for which no Credit Allowance is due to the Company.

2.20      Credits and Credit Allowances (cont.)

2.21.3    Except as otherwise set forth herein, Customer's sole and exclusive remedy for any and all Performance Failures which consist of or give rise to Interruptions are Credits or Credit Allowances to the extent available under this Section 2.21; for any other Performance Failures or in the event Credits or Credit Allowances are unavailable (due to the fact, for example, that the Customer does not incur any fixed monthly recurring charges), Customer's sole and exclusive remedy in lieu of said Credits or Credit Allowances will be an immediate right to Terminate Services prior to the expiration of the Minimum Service Period.

2.22      Minimum Service Period

The Minimum Service Period will be for the term specified in Customer's Service Order, which term must be no less than thirty (30) days. This MSP will automatically renew for subsequent terms of equal duration. Either the Company or the Customer may elect not to renew any MSP by written notice to the other no later than thirty (30) days prior to the expiration date of said MSP.

2.23      Force Majeure

The Company is excused from any Performance Failure due to causes beyond its reasonable control, including but not limited to acts of God, fire, floods, other catastrophes, insurrections, national emergencies, wars, labor disputes, or any Regulation or other directive, action or request of any Governmental Authority.

2.24      Customer Premises

Customer shall provide, without cost to Company, all equipment, space, conduit, and electric power required to terminate the Services at the User's premises. The Customer shall arrange for the Company, or for other Carriers as required, to have access to the User's premises at all reasonable times for purposes of Service installation, Termination, inspection and repair. Customer shall be solely responsible for any damage to or loss of Company equipment while on the premises of User, unless such damage is caused by the negligence or willful misconduct of the Company, its employees, subcontractors or agents.

2.25 Full Force and Effect

Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.

2.26 Cooperation

Customer shall cooperate with the Company to the extent necessary for the Company to discharge its obligations hereunder and as reasonably requested by the Company.

2.27 Governing Law

This Tariff is to be governed by and construed in accordance with the rules and orders of the Commission and the laws of the State of South Carolina.

2.28 Expanded Local Calling Area

Except as otherwise permitted by law, the Company shall not assess any long distance charge for calls between (i) two telephones located within the same county, or (ii) two telephones within a twenty-two (22) mile radius of an exchange serving such telephones as such twenty-two (22) mile calling areas are designated on maps on file with the Commission.

### 3.0 DESCRIPTION OF SERVICES

#### 3.1 Description of Services

Services consist of (i) One Plus Service, (ii) Inbound Toll-Free Service, (iii) Travel Card Service, and (iv) Prepaid Calling Card Service, as described herein.

3.1.1 One Plus Service is a switched, intrastate, telecommunications service that permits Users to establish communications between points within the State of South Carolina.

3.1.2 Inbound Toll-Free Service is a switched, intrastate, incoming telecommunications service. Customers shall be assigned an "800", "888", "877" or other Toll-Free incoming telephone number by the Company for termination and billing of Inbound Toll-Free Service calls.

3.1.3 Travel Card Service is a switched, intrastate, telecommunications service which permits Users to establish communications between points within the State of South Carolina. Users may utilize Travel Card Service to originate outbound, direct dial calls, via Company-provided toll free telephone numbers in order to complete switched, intrastate, telecommunications calls. Travel Card Services are subject to the following terms and conditions.

3.1.3.A Unit Value. Travel Card Services may be obtained from the Company, from Agents or from Customers at various per-minute or per-unit rates as set forth in Section 4.8, inclusive of all taxes. All Travel Card calls are measured in one (1) minute increments, rounded to the next higher full minute, except as otherwise set forth herein.



## 3.1.3.B

Other Conditions of Service

- (i) Travel Card calls to 700, 800, 888, 877, 900, 950 and other similar numbers will not be completed.
- (ii) Travel Cards may not be used to make operator assisted calls. However, upon request, the Company's customer service personnel will provide Customers with call completion assistance at no charge.
- (iii) Travel Cards may not be used to make third party billed calls or person-to-person calls.
- (iv) The Company will credit the account of a User's Travel Card for calls that are interrupted or are subject to inadequate transmission due to Performance Failures. Credits will not apply to Interruptions, which are, (a) not reported to the Company by the Customer or User within ten (10) days after the Interruption; (b) not proximately caused by the Company or its Agents, or (c) caused, in whole or in part, by the User.
- (v) Travel Card Services may be marketed in conjunction with third parties for whom the Company serves as the common carrier.
- (vi) Travel Card charges include per minute or per unit usage charges and may also include a per call service charge.

3.1.4 Prepaid Calling Card Service. Users may utilize Prepaid Calling Card Services to originate outbound, direct dial calls, via Company-provided telephone numbers in order to complete switched, intrastate, telecommunications calls. Prepaid Calling Card Services are subject to the following terms and conditions.

3.1.4.A Unit Value. Prepaid Calling Cards may be obtained from the Company, from Agents or from Customers in 10, 20 or dollar denominations with a per-minute value as set forth in Section 4.9, inclusive of all taxes. All Prepaid Calling Card calls are measured in one (1) minute increments, rounded to the next higher full minute.

3.1.4.B Other Conditions of Service

- (i) Prepaid Calling Card calls to 700, 800, 888, 877, 900, 950 and other similar numbers will not be completed.
- (ii) Calls may only be charged against a Prepaid Calling Card that has a sufficient available balance.
- (iii) Prepaid Calling Card balances will be reduced and depleted based upon User's usage. Users will be given notice (e.g., by automated operator intervention) one minute before the available card balance is depleted, based on the terminating location of the call. When the balance is depleted, the call will be terminated.
- (iv) Third party billing and person-to-person calls may not be made with Prepaid Calling Cards.

3.0 Description of Services (Cont'd)

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V.P. Regulatory & Channel Development  
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Sandy, Utah 84070

- (v) Some promotional Prepaid Calling Cards are non-refundable and will expire on the date specified on the card (or on the package in which the card is included) as applicable.
- (vi) The Company will credit the account of a User's Prepaid Calling Card for calls that are interrupted or are subject to Inadequate transmission due to Performance Failures. Credits will not apply to Interruptions which are: (a) not reported to the Company by the Customer or User within ten (10) days after the Interruption; (b) not proximately caused by the Company or its Agents; or (c) caused, in whole or in part, by the User.

3.1.4.C

Prepaid Calling Card Recharge Option. Users of a Prepaid Calling Card may be given the option of adding additional dollar or unit values to the Prepaid Calling Card account associated with that card by payment to the Company via a major credit card. This recharge option may be available by contacting the Company's customer service department. The minute or unit value of a recharged Prepaid Calling Card is set forth in Section 4.9.

### 3.2 Timing of Calls

The Customer's monthly charges for Services provided hereunder are based upon either (i) the total time the User actually uses the Services (rounded to the increments set forth in Section 4), or (ii) the airline mileage between the originating and the terminating rate centers of each call as calculated using the V and H coordinates set forth in AT&T's FCC Tariff No. 10 on file with the Commission, and incorporated herein by reference. The method of calculation of the airline mileage between rate centers is calculated according to the following formula.

*The square root of:*

$$\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}$$

Where V1 and H1 are the V and H coordinates of point 1, and V2 and H2 are the V and H coordinates of point 2. The mileage is rounded up to an integer value to determine the airline mileage.

#### 4.0 RATES

##### 4.1 Return Check Charge

The Customer will be charged twenty dollars (\$20.00) or the applicable statutory return check charge (if any), whichever is greater, whenever a check or draft presented for payment of Service is dishonored by the institution upon which it is drawn.

##### 4.2 Late Payment Charge

Invoices unpaid after thirty (30) days shall incur a monthly finance charge on the unpaid balance at a rate equal to the lesser of one and one-half percent (1.5%) or the maximum rate permitted by law.

##### 4.3 Reconnection Fee

A charge of twenty dollars (\$20.00) or the applicable statutory charge for reconnection of Service (if any), whichever is greater, will apply whenever a User requests to be reconnected to the Services after the Company has Terminated the Services to User for any reason allowed by this Tariff.

##### 4.4 Promotions

The Company may from time to time engage in special promotions of new or existing Service offerings of limited duration designed to attract new customers or to increase existing Customer awareness of a particular offering. The promotional offerings are subject to the availability of the Services and may be limited to a specific geographical area or to a subset of a specific market group; provided, however, all promotional offerings shall be offered in accordance with applicable Regulations.

##### 4.5 Miscellaneous Rates and Charges

The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from, or pay to others, in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund, the Primary Interexchange Carrier Charge, and compensation to pay telephone service providers for the use of their pay telephones to access the Company's Services.

#### 4.6 One Plus Service Rates

The following rates apply to all presubscribed One Plus Service Customers. Calls are measured in six (6) second increments, rounded to the next higher increment.

Rate Plans	Day Rates	N/Wkd./Eve. Rate	Monthly Recurring Fee	Initial Set-Up Fee
Residential Plan I	\$0.099/min.	\$0.099/min.	\$0.00	\$0.00
Residential Plan II	\$0.112/min.	\$0.112/min.	\$3.95	\$0.00
Business Plan I	\$0.099/min.	\$0.099/min.	\$0.00	\$0.00
Business Plan II	\$0.112/min.	\$0.112 min.	\$3.95	\$0.00
Business Dedicated	\$0.092/min.	\$0.092/min.	\$0.00	\$0.00

#### 4.7 Inbound Toll-Free Service Rates

The following rates apply to all Customers of Inbound Toll-Free Service. Calls are measured in six (6) second increments, rounded to the next higher full increment.

Rate Plans	Day Rates	N/Wkd./Eve. Rate	Monthly Recurring Fee	Initial Set-Up Fee
Residential Plan I	\$0.099/min.	\$0.099/min.	\$2.00	\$0.00
Residential Plan II	\$0.112/min.	\$0.112/min.	\$2.00	\$0.00
Business Plan I	\$0.099/min.	\$0.099/min.	\$2.00	\$0.00
Business Plan II	\$0.112/min.	\$0.112 min.	\$2.00	\$0.00

**4.8     Travel Card Service Rates**

Rates for Travel Card Calls are as follows. Calls are measured in one (1) minute increments, rounded to the next higher full minute.

Rate Plans	Day Rates	N/Wkd./Eve. Rate	Monthly Recurring Fee	Initial Set-up Fee
Plan 1	\$0.15/min.	\$0.15/min.	\$0.00	\$0.35

**4.9     Prepaid Calling Card Service Rates**

Rates for calls made with a Prepaid Calling Card are as follows. Calls are measured in one (1) minute increments, rounded to the next higher full minute.

**4.9.1     Prepaid Calling Card Service Rates****4.9.1.A     Intrastate Rate**

Rate Plans	Day Rates	N/Wkd./Eve. Rate	Per Call Fee
Plan 1	1Unit/Min. \$0.17/min.	1 Unit/Min. \$0.17/min.	\$0.35

**4.10    Payphone Compensation Surcharge**

Customer dialed 800, 888, 877 and "10XXX" calls originated from pay telephones to obtain access to the Company's Services will incur a per-call surcharge of \$0.75.

**4.11    Directory Assistance**

Access to long distance directory assistance may be obtained by dialing 411 or 1+(area code)+555-1212. User will be charged (or Customer will be billed) \$0.95 for each intrastate directory assistance call. The directory assistance charge applies to each call regardless of whether the directory assistance bureau is able to furnish the requested telephone number.



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**4.12 Rates for Hearing or Speech Impaired**

For medically certified hearing or speech impaired Users who communicate via a TDD, the Company will issue upon request a credit in an amount of 25% of the regularly billed charges under Section 2.6 for calls made between TDDs. The credit will appear on the Customer's subsequent bill.

**4.13 Application Periods**

The following application periods apply to the rates established in this Section 4.

MON. TUES. WED. THU. FRI. SAT. SUN.

8:00 AM  
to Day Rate Period N/Wkd  
5:00 PM |-----|-----|

5:00 PM  
to Evening Rate Period N/Wkd  
Eve.  
11:00 PM |-----||-----|

11:00 PM  
to Night/Weekend Rate Period  
8:00 AM |-----|

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#### 4.14 Holiday

On Holidays the rate applicable is the Evening rate unless a lower rate would normally apply.

#### 4.15 Computation of Charges

4.15.1 Calls will be billed in increments of either (i) an initial thirty (30) seconds period and additional periods of six (6) seconds, (ii) an initial sixty (60) seconds period and additional periods of thirty (30) seconds, or (iii) an initial one (1) minute period and additional periods of one (1) minute, as set forth in Sections 3 and 4 herein. Where answer supervision is available, the time of each call begins as set forth in Subsection 4.15.2 below, and ends when the calling party disconnects. In no event will the time of a call be deemed to begin prior to sixty (60) seconds from the time of intervention by an operator or automated equipment with respect to said call, except where answer detection capability exists.

4.15.2 Where answer supervision is available, the time of a call begins when the called station is answered, as determined by the standard industry methods selected by the applicable Other Provider. The Company will not knowingly bill any Customer for unanswered calls. Upon the Customer's request, the Company shall promptly refund or credit, as the case may be, payments or charges for any unanswered call inadvertently billed due to the unavailability of Feature Group D or to the LEC's failure to provide answer supervision. Where answer supervision is not available, any call for which the billed duration exceeds one minute shall be presumed to have been answered.

5. MAXIMUM RATES

The Company's business services are being regulated pursuant to the procedures described and set out in Order Nos. 95-1734 and 96.55 in Docket No. 95-661-C. The Company is not required to tariff maximum rates for its business services, consumer card, operator service, future private line, and customer network-type offerings. Accordingly, the maximum rates below apply only to residential lines.

5.1 One Plus Service

Rate Plans	Day Rates	N/Wkd./Eve. Rate	Monthly Recurring Fee	Initial Set-up Fee
Plan 1	\$0.20/Min.	\$0.20	\$0.00	\$0.00

5.2 Inbound Toll-Free Service

Rate Plans	Day Rates	N/Wkd./Eve. Rate	Initial Set-up Fee
Plan 1	\$0.24/min.	\$0.00	\$0.00

6. MARKETING GUIDELINES

As a telephone utility under the regulation of the Public Service Commission of South Carolina, the Company hereby affirms that as a reseller of interexchange telecommunications service, it will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of customers in South Carolina, and it will comply with the marketing procedures, if any, set forth by the Public Service Commission. Additionally, it will be responsible for the marketing practices of its contracted telemarketers for compliance with this provision. It understands that violation of this provision could result in a rule to show cause as to the withdrawal of its certification to complete interexchange telecommunications traffic within the state of South Carolina.